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OFFICE CF THE ASSISTANT SECRETARY OF DEFENSE WASHINGTON 25, D. C.



INTERNATIONAL SECURITY AFFAIRS

REFER TO: 1-14,439/61

25 Hey 1961

MEMORANDUM FOR RECORD

SUBJECT: Discussion of MATO Strategy

1. Hr. Hitse met with Mr. P. D. Gregh, MATO DSG/ASG 8 and F for lunch, at the request of the latter, on 9 May 1961. Others present were:

Maj. Gen. F. H. Miller, CASD/ISA Mr. Joseph J. Wolf, USRO Col. S. K. Eston, CASD/ISA

- 2. Mr. Grogh stated that he had heard many conflicting interpretations of the new U.S. policy toward NATO, as presented in the 26 April memorandum, some of which caused him considerable concern, and that he had sought this meeting in order to ask Mr. Mitze some questions concerning the intentions of the U.S. He then launched into a discussion of the current status of the NATO 1966 force requirements. He discussed the background leading up to the present time, referring generally to the following stages of development:
- s. The Lisbon force goals, which were based upon conventional shield forces.
- b. Evolution toward emphasis on nuclear weapons under the guidance of General Gruenther and General Norstad.
 - c. Development of the NATO Political Directive and Strategic Concept.
- d. Difficulties in developing MC 70 and problems raised by this document.
- c. The background and development of the MC 70 Country Studies. He cited Mr. Spack's idea of visiting the NATO nations in order to obtain greater defense efforts; General Morstad's proposal to do some "preliminary military work"; the questionable costing data used in the studies, and the difficulties raised by the nations.
- f. Efforts to find a new solution which resulted in the adoption by the Council of the new Triennial Proview, the development of the 1966 force

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requirements as the basis for that Meview, and the consequent programming exercise for 1962-1964.

- 3. Hr. Gregh elaborated upon the last of the above points, stating that the original intent of the procedure had, in effect, been subverted by the NATO military. While the procedure had contemplated three year programs based upon force requirements which had been approved, and accepted, by the nations, and would therefore be acceptable to them, this idea had already been lost. Since the Hilitary Committee had not been able to approve the 1966 force requirements on the time schedule originally called for (mid-February 1961), the Council had, in order to permit the conduct of an interim review in 1961, authorized the Supreme Commanders to issue their three year programs, recognizing that only the program for 1962 would have any validity. Now, the Supreme Commanders propose to conduct bilateral discussions with the nations on:
 - c. The rationale bening their force requirements.
- b. Justification of their programs not only for 1962, as had been agreed by the Council, but also for 1963 and 1964.

Hr. Gregal indicated that this was a most unsatisfactory state of affairs, because there would be no common meeting ground for the discussions. Some nations (he cited Helgium as a specific example) had already stated that they would not discuss programs beyond 1962 until some agreement had been reached on the 1960 requirements. Ar. Gregh concluded his briefing by stating that he did not see where we could go from here, nor now the 0.5. policy fitted into the present situation.

- 4. After his opening remarks, there was a discussion of several specific quastions raised by Mr. Gregh. We first asked if his interpretation was correct that there was, in fact, a definite change in U.S. policy. We referred to the new procedure for programming which had been indicated by Ambassador Finletter to the Council on 26 April, and saked if the U.S. desired to change the sceepted MATO procedure which had just been developed. At Mr. Mitze's request, Mr. Wolf described the programming procedure, which involved having the MATO Commenders develop two alternate sets of programs based upon two levels of resource availabilities. Mr. Wolf pointed out that the U.S. had suggested this method as one possibility, but as one which should be discussed in the Council, with the advice of the military authorities, to determine how best the new U.S. views might be introduced into the military programs. Mr. Gregh observed that the U.S. suddenly appeared to be advocating capabilities planning instead of the MATO accepted procedure of requirements planning.
- 5. Fir. Gregh then asked if the U.S. had a new policy, and asked for an elaboration of U.S. intentions regarding the build-up of conventional forces, citing the statement made by Fir. Sarper at the Hinisterial Electing on 9 May that HMTO must avoid an invitation to the USER to engage in limited war. He stated that he would be very interested in learning just how much conven-

tional strength the U.S. had in mind; just how much of a peuse the U.S. considered necessary; and what the U.S. intended by "raising the threshold". Mr. Nitse replied that there had, in fact, been a very decided change in U.S. thinking in the new Administration. He stated that almost everyone in the present Administration was quito concerned over the build-up of muclear weapons in Maro which had taken place at the expense of conventional forces. He stated that there is no weakening in the U.S. determination to defend Western Europe and cited U.S. exprensed intentions and actions to enhance the strength of its conventional as well as its strategic forces. He added that the U.S. expects the Suropean nations to do their share in building up their own conventional strongth. He referred to the present unsatisfactory situation in PAOR as an example of what needs to be done. At this point Mr. Gregi related on allegory comparing the attractiveness of the giamor services (Air Force and savy) with the hezards of the "foot soldier", pointing out that the foot soldier must not be made to feel that he is only common folder. (NOTE: In the context presented, there was a hint that Mr. Gregh was suggesting that the U.S. should not attempt to separate the strategic battle from the local battle in Aurope, leaving the Auropean nations to fight the latter.) Mr. Gregh then asked Mr. Hitze to make certain that the U.S. express clearly its intention to maintain the necessary strategic forces and to make clear that modern conventional vespons were also required, in order to make conventional forces attractive to Surope. He noted that modern weapone' were generally understood to mean "modern nuclear weapons," and that we must also have modern conventional vespons. Mr. Hitze replied that for this very reason he preferred to use the words 'non-nuclear forces', to indicate that modernization is required across the board. There was then a discussion of recent developments which had been realized in modernized non-nuclear (or dual purpose) forces including Red-Tye, Hawk, NIKE and nodern aircraft. Hr. Mittee cited the small amount of funds that had gone into R and D for non-nuclear forces, as compared to that for nuclear forces, as the reason for no further developments to date, pointing out the gap between development and production.

- 6. Mr. Gregh then expressed his understanding of the current "conflicting difficulties" facing the U.S., as follows:
 - a. The balance of payments problem.
- b. The problem of devoting greater economic resources to the less developed countries.
- c. The new problem of obtaining greater defense efforts from the European nations.

At this point, Mr. Mitze noted that the U.S. balance of payments was not a "conflicting difficulty' of the U.S., but that it resulted from the U.S. efforts in assisting to rebuild Western Europe after the war, and is reflected in the balance of payments surpluses enjoyed by several nations, particularly Germany, but including Italy, Metherlands, and also Japan. Mr. Grogh expressed

his own very pessimistic view that little or no additional defence efforts could be obtained from the European nations, and his fear that MATO defenses would further decline if the U.S. demands for greater expenditures for conventional forces were slopted.

- 7. Mr. Gregh then discussed at some length the relationship of U.S. military assistance to the European defense effort. He pointed out that the U.S. contribution was the controlling factor in the development of the majority of the Country Defense progress, and that continuation of this assistance is vital. He also repeated his well-known views that U.B. assistance should be placed on a long term basis so that countries could make firm plans for the future, but mided that he recognized the U.S. legislative difficulties in this area. He pointed out that the direction that MAP had been taking in the past several years was certainly inconsistent with the now U.S. views as he understands them.
- 8. There was then some considerable discussion of the MRIN problem. Mr. Gregh referred to the Cates proposal which had received no action and was superseded by the Herter proposal. It now appeared that the U.S. intended to drop the Herter proposal, and asked if this were true. He asked also if the U.S. disagreed with the stated military requirement for this weapon or was concerned over its political implications. He stated that it certainly appeared that the U.S. wanted to get may from a MATO HRIEL, or the Council would have heard more of the U.S. ideas on how to develop a multilateral force. Finally, he noted that SACEUR's requirements had not been allocated to countries, and wondered if this were significant from the U.S. policy viewpoint. General Hiller stated that the U.S. was surprised by the size of the Commanders' MREM requirements, and that there certainly were no U.S. policy considerations reflected in the requirements. Mr. Ritse stated that the U.S. had not intended to drop the Herter proposal, and did not intend to do so now. He stated that the Mills were terribly expensive and that there are other requirements more pressing from the standpoint of time. He said that if the UK, and perhaps later France, should contribute their own stratogic forces to HATO, the U.S. would cortainly be prepared to consider furnishing suditional falls for a multilateral MATO force. During this discussion, Mr. Grogh referred to Mr. Speak's efforts to get the U.S. to provide assistance to France toward the development of a French long range missile capability (not including warnesds), with the majority of the French effort going to NATO but with some unspecified part to be retained as a French national capability. In this connection, he remarked on his understanding that the U.S. did not wish to essist in the development of any additional national muclear capabilities.
- 9. Speaking frankly, in his own words, Mr. Gregh then saked Mr. Hitze how the Supreme Commanders felt about the new U.S. views. Hoting that they were both U.S. officers, he wondered if they had been consulted in the development of the new views, and if they agreed with them. Mr. Mitze informed Mr. Gregh that General Morsted and Admiral Dennison had been consulted during the preparation of the new U.S. views. He strossed, however,

that both of these officers are International Commanders, and would not be expected to view these problems through U.S. eyes, nor would the U.S. expect them to. Mr. Hitze added that while he felt General Moretad to be sympathetic to the basic philosophy of the new U.S. views, he recognized that there were probably some numbers of difference between his views and those of the U.S.

10. In closing, Mr. Gregh stressed the necessity of moving forward with the resolution of the many problems which had been raised by the U.S. views, in order to prevent further deterioration in the KATO defense effort.

8. K. EATON Col., U.S.A. Deputy Director European Region

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